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MIDDLE EAST - AFRICA - SOUTH ASIA

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Dahomey

Kerekou Holding On

President Kerekou, using strong-arm measures, has weathered more than a week of civil protests that followed the recent murder of Interior Minister Aikpe, one of the President's leading rivals. The general strike that was led by secondary teachers was never more than partially effective and most workers are now back at their jobs. Nevertheless, Cotonou and other towns remain tense and public hostility toward the radical-dominated military regime shows no sign of easing.

Evidence continues to mount that Aikpe was indeed deliberately murdered at the President's behest. So far, neither radical nor moderate figures in the deeply divided regime have made any overt moves to take advantage of the present turmoil to challenge Kerekou. Security and propaganda operations appear to be largely in the hands of Lieutenant Azonhiho, an extreme leftist who was mainly responsible for bringing Kerekou successfully through a coup attempt last January by a moderate cabinet minister. The most important of the few remaining moderates in the cabinet, Lieutenant Colonel Ohouens, is under close watch and reportedly will be dropped soon in a ministerial shake-up.

Meanwhile, the regime is trying to dissipate public wrath and rally support, particularly among left-wing intellectuals and trade unionists who have been alienated by Kerekou's corruption and the murder of Aikpe. Late last week, the government announced the nationalization of most remaining private businesses, the reduction of fuel prices, and a promise to end Dahomey's chronic unemployment problem. The nationalization orders affect the last remaining US investments in Dahomey, namely,

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the small holdings that the Bank of America and the First National City Bank have in the local branches of two predominantly French-owned banks. The takeovers will almost certainly disrupt Dahomey's already shaky economy. (CONFIDENTIAL)



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Pakistan

Factionalism in Bhutto's Party

Continuing factionalism in Prime Minister
Bhutto's Pakistan People's Party in Punjab Province,
where nearly 60 per cent of the Pakistani populace
lives, may be causing some damage to Bhutto's
political position there. Bhutto's dominance in
the province does not appear seriously threatened,
however.

A year-old power struggle between the two top provincial officials, Chief Minister Haneef Ramay and Governor Mustafa Khar, may come to a head this summer. According to US officials in Pakistan, Bhutto may be planning to settle the conflict by removing Khar, and possibly Ramay as well, from office. Khar, many observers believe, would then break with Bhutto and leave the party, taking with him his right-of-center followers who include at least 30 members of the Punjab Provincial Assembly and five members of the National Assembly.

Such a move by Khar would be the first defection by a major group from the party since Bhutto led it to a sweeping electoral victory in 1970. A break by Khar would weaken, but not destroy, the majorities Bhutto enjoys in the national and provincial assemblies. Khar does not appear popular enough to pose a major challenge to Bhutto's party in the next national elections, which in any case do not have to be held before 1977. (CONFIDENTIAL)

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Bangladesh

New District System

President Mujibur Rahman further tightened his personal control in Bangladesh with the promulgation on June 22 of a new district administrative system. The 60 new districts, created largely from former administrative subdivisions, will in effect be under Mujib's direct control. Each will be governed by an administrative council headed by a governor appointed personally by the President. The governors will be drawn from especially trusted members of the one legal national party. Each council will have absolute control over administrative and development work in its district. The restructured system becomes effective September 1.

In a speech on June 19 before the first meeting of the central committee of the national party, Mujib insisted that his revision of the administrative structure and earlier imposition of a one-party presidential system were not designed merely to keep him in power, as his critics have charged. He said these steps, constituting his "second revolution", were necessary to combat corruption, bureaucratic ineptitude and unidentified foreign conspiracies.

Mujib's speech underscored his ingrained predilection for seeking political solutions to the country's growing economic and social problems. The President stated that a "free style" democratic system had not worked in Bangladesh and that the country needed a unique, indigenous "free socialist economic system." He strongly implied that his single national party is the only acceptable vehicle for change.

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Mujib apparently hopes that by infusing members of his national party into all levels of the administrative structure he can ensure the tight discipline and sense of responsibility he believes necessary to make even a dent in the country's problems. He has promised further changes at the lowest levels within a year and the establishment of at least 60-100 multipurpose "agricultural cooperatives." Mujib has stated that one of the main goals of his "second revolution" is to draw the most talented people in the country into government. It is becoming increasingly clear that, even if he makes good on his promise, political considerations will complicate if not frustrate their efforts. (CONFIDENTIAL)

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